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5 **NOT FOR CITATION**

6
7 IN THE UNITED STATES DISTRICT COURT

8 FOR THE NORTHERN DISTRICT OF CALIFORNIA

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10 UNITED STATES GYPSUM COMPANY,

11 Plaintiff, No. C 04-04941 JSW

12 v.

13 PACIFIC AWARD METALS, INC.,

14 Defendant.

**ORDER GRANTING UNITED
STATES GYPSUM COMPANY'S
MOTION FOR SUMMARY
JUDGMENT RE NON-
INFRINGEMENT**

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For the Northern District of California /

17 **INTRODUCTION**

18 This matter comes before the Court upon consideration of the motion for summary
19 judgment filed by Plaintiff United States Gypsum Company ("USG"). Having considered the
20 parties' pleadings, relevant legal authority, and having had the benefit of oral argument, the
21 Court HEREBY GRANTS USG's motion.

22 In its motion, USG argues that it is entitled to judgment as a matter of law on the false
23 marking counterclaim filed by Defendant Pacific Award Metals, Inc. ("Award") with respect to
24 U.S. Patent No. 5,131,198 (the "198 Patent"), which relates to corner beads for drywall
25 construction and particularly to corner beads having an outer paper layer.¹

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¹ Award has stated that it will withdraw its counterclaim for unfair competition. Pursuant to that representation, Award is directed to file a dismissal of that counterclaim within five days of the date of this Order.

BACKGROUND**A. Procedural Background.**

On November 19, 2004, USG filed this infringement action alleging that Award infringed the ‘198 Patent. On December 20, 2004, Award answered and filed a counterclaim for, *inter alia*, false marking. In its counterclaim, Award alleged that USG falsely marked its products with the ‘198 Patent when USG “knew the protective coating on its paper-faced corner bead products has a thickness that, as measured from the surface of the paper to the top of the protective coating, is substantially less than 0.001 inches.” (Declaration of Thomas W. Jenkins (“Jenkins Decl.”), Ex. 10 at p. 11, ¶ 21.)

On November 2, 2005, the Court held a hearing to construe the two disputed claim terms of the ‘198 Patent. At that hearing, Award contended that the thickness of the protective coating should exclude any protective coating that penetrated the surface of the front paper layer. USG argued to the contrary and claimed that the thickness of the protective coating should include protective coating that penetrated the surface of the front paper layer.

On November 8, 2005, the Court issued its Claim Construction Order, in which it rejected USG’s proposed construction of the thickness limitation. The Court construed the disputed term to mean: “The protective coating penetrates some of the fibers at the surface of the front paper layer and measures about 0.001 inches to 0.005 inches in thickness on the front surface of said front paper layer, said thickness excluding penetration depth of said protective coating.” (Claim Construction Order at 9:10-13.)

USG conceded that, under the Court’s construction, Award’s products did not literally infringe the ‘198 Patent but maintained that Award’s products infringed under the Doctrine of Equivalents. USG also continued to mark its paper-faced corner bead products with the ‘198 Patent. (Declaration of Val Perrine (“Perrine Decl.”), ¶ 13; Jenkins Decl., Ex. 5 (Perrine Depo. at 591:24-592:18).)

On March 1, 2006, the Court granted Award’s motion for summary judgment and found that the doctrine of prosecution history estoppel precluded USG from claiming infringement by

1 equivalence. Following that Order, USG stopped marking its nose coated paper-faced corner
2 bead products with the '198 Patent. (Perrine Decl., ¶ 13.)

3 **B. Factual Background.**

4 The following facts are undisputed. The '198 Patent was issued on July 21, 1992 to
5 inventors James Ritchie and Don King and was assigned to their employer BeadeX. (Jenkins
6 Decl., Ex. 1.) After the '198 Patent issued, BeadeX began to mark its nose coated paper-faced
7 corner bead products with the '198 Patent. (Jenkins Decl., Ex. 2 (Ritchie Depo at 27:21-28:1).)
8 At some point thereafter, BeadeX began to outsource the coating process and discovered that the
9 protective coating applied by its vendor to the nose coated paper-faced corner bead products
10 measured less than 0.001 inches above the surface of the paper. (Declaration of Craig Radford
11 ("Radford Decl."), ¶ 3; Declaration of Wesley Dunham ("Dunham Decl."), ¶ 7.)²
12 Notwithstanding this discovery, BeadeX continued to mark these products with the '198 Patent.

13 In approximately 1994, USG entered into a relationship with BeadeX whereby BeadeX
14 supplied USG with nose coated paper-faced corner beads to be sold under USG's private labels.
15 Those products were marked with the '198 Patent. (Perrine Decl., ¶ 4-7; Jenkins Decl., Ex. 5
16 (Perrine Depo. at 232:6-12, 232:20-233:4).) USG eventually acquired BeadeX for
17 approximately \$75 million. After the acquisition, USG continued to place the '198 Patent on its
18 nose coated paper-faced corner bead products and, as noted above, continued to do so until after
19 the Court granted summary judgment in favor of Award on the Doctrine of Equivalents issue.
20 The Court addresses additional facts in its analysis.

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25 ² Mr. Radford was the operations manager at BeadeX and then at USG from
26 1993 through 2000. (Radford Decl., ¶ 1.) Mr. Radford was Mr. Dunham's supervisor.

27 Mr. Dunham worked at BeadeX and USG from April 1969 through August 2003.
28 (Jenkins Decl., Ex. 4 (Dunham Depo. V. 1 at 9:12-10:11.).) From 1985 through 1995, Mr.
Dunham was the Supervisor of Maintenance and Production for the BeadeX nose coated
paper-faced corner bead products. (Dunham Decl., ¶ 2.) Thereafter, Mr. Dunham was a
Technical Manager for new product development at BeadeX and then at USG. (*Id.*)

ANALYSIS**A. Legal Standards Applicable to Summary Judgment.**

A principal purpose of the summary judgment procedure is to identify and dispose of factually unsupported claims. *Celotex Corp. v. Cattrett*, 477 U.S. 317, 323-24 (1986). Summary judgment is proper when the “pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(C). “In considering a motion for summary judgment, the court may not weigh the evidence or make credibility determinations, and is required to draw all inferences in a light most favorable to the non-moving party.” *Freeman v. Arpaio*, 125 F.3d 732, 735 (9th Cir. 1997).

The party moving for summary judgment bears the initial burden of identifying those portions of the pleadings, discovery, and affidavits that demonstrate the absence of a genuine issue of material fact. *Celotex*, 477 U.S. at 323. An issue of fact is “genuine” only if there is sufficient evidence for a reasonable fact finder to find for the non-moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248-49 (1986). A fact is “material” if it may affect the outcome of the case. *Id.* at 248.

If the party moving for summary judgment does not have the ultimate burden of persuasion at trial, that party either must produce evidence that negates an essential element of the non-moving party’s claims or must show that the non-moving party does not have enough evidence of an essential element to carry its ultimate burden of persuasion at trial. *Nissan Fire & Marine Ins. Co. v. Fritz Cos.*, 210 F.3d 1099, 1102 (9th Cir. 2000). Once the moving party meets his or her initial burden, the non-moving party must go beyond the pleadings and, by its own evidence, “set forth specific facts showing that there is a genuine issue for trial.” Fed. R. Civ. P. 56(e). In order to make this showing, the non-moving party must “identify with reasonable particularity the evidence that precludes summary judgment.” *Keenan v. Allan*, 91 F.3d 1275, 1279 (9th Cir. 1996). If the non-moving party fails to point to evidence precluding

¹ summary judgment, the moving party is entitled to judgment as a matter of law. *Celotex*, 477 U.S. at 323.

3 || B. Legal Standards for False Marking.

4 Whoever marks upon, or affixes to, or uses in advertising in connection with
5 any unpatented article, the word "patent" or any word or number importing that
 the same is patented for the purpose of deceiving the public; ... [s]hall be fined
 not more than \$500 for every such offense.

7 35 U.S.C. § 292(a).³ In order to prevail on its false marking counterclaim, Award must
8 demonstrate by a preponderance of the evidence that USG (1) used a mark “importing that an
9 object is patented (2) falsely affixed to (3) an unpatented article (4) with the intent to deceive the
10 public.” *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1351 (Fed. Cir. 2005); accord
11 *Mayview Mayview Corp. v. Rodstein*, 620 F.2d 1347, 1359-60 (9th Cir. 1980).

The first step in a false marking analysis is to determine whether an article is unpatented, i.e., that the article is “not covered by at least one claim of each patent with which [it] is marked.” *Clonitech*, 406 F.3d at 1352. To do that, “the claim in question must be interpreted to ascertain its correct scope, and then it must be ascertained if the claim reads on the article in question.” *Id.*⁴

“Intent to deceive is a state of mind arising when a party acts with sufficient knowledge that what it is saying is not so,” *i.e.*, that an article so marked is in fact patented, “and consequently that the recipient of its saying will be misled into thinking that the statement is true.” *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1352 (Fed. Cir. 2005). “Intent to deceive ... is established in law by objective criteria.” *Id.* Thus, “the fact of

³ Section 292 is penal in nature and, therefore, must be strictly construed. *Mayview Corp. v. Rodstein*, 620 F.2d 1347, 1359 (9th Cir. 1980)

4 The district court in *Clontech* concluded that the doctrine of equivalents could
24 not be applied to determine if an article was “patented.” See *Clontech Labs., Inc. v.*
25 *Invitrogen Corp.*, 263 F. Supp. 2d 780, 792 (D. Del. 2003). The Federal Circuit’s opinion
26 does not expressly address this issue. Because the parties in this case do not dispute the
27 “unpatented” element, the Court presumes for purposes of this motion that Award has
28 established the second and third elements. The Court notes, however, that, in the instant
case, USG essentially takes the position that the products in question are substantially
covered or equivalently covered in making its functionality argument. These facts
distinguish this case from *Clontech*. The Court addresses the import of this position in
resolving the issue of whether there is evidence of an intent to deceive the public.

1 misrepresentation coupled with proof that the party making it had knowledge of its falsity is
2 enough to warrant drawing the inference that there was a fraudulent intent.”” *Id.* (quoting *Norton*
3 *v. Curtiss*, 433 F.2d 779, 795-96 (C.C.P.A. 1970)) (emphasis in original). That is to say, if a
4 party states that an article marked with a patent is covered by the patent when it knows it is not,
5 one can infer that an intent to deceive existed.

6 However, to show the requisite knowledge of falsity a plaintiff in a false marking case
7 “must show by a preponderance of the evidence that [the defendant] did not have a reasonable
8 belief that the articles were properly marked (*i.e.* covered by a patent). Absent such proof of
9 lack of reasonable belief, no liability under the statute ensues.” *Id* at 1352-53. Normally, the
10 question of whether “conduct rises to the level of statutory deception is a question of fact.” *Id.*
11 at 1353.

12 **C. Evidentiary Rulings**

13 USG moves to strike certain paragraphs of the Declaration of Andrew Shores, submitted
14 by Award in opposition to USG’s motion. USG contends that the opinions set forth in the
15 Shores declaration were not timely disclosed in his initial expert report and, accordingly, should
16 not be considered. The Shores declaration is offered by Award to show that USG’s belief that
17 its products were covered by the ‘198 Patent was unreasonable because if USG had conducted
18 an investigation using any of the methods described by Dr. Shores, USG would have known the
19 products were not covered by the ‘198 Patent, even under the construction USG proposed.
20 Award also contends, in opposing the motion to strike, that the report was submitted to counter
21 a rebuttal report from USG’s expert, Mr. Klass. However, USG did not rely on Mr. Klass’
22 opinions in moving for summary judgment on this issue.

23 Since it filed its false marking claim, Award has known that it would bear the burden of
24 establishing that USG intended to deceive the public and, thus, knew its products were not
25 covered by the ‘198 Patent. Moreover, Award has known since the parties began briefing the
26 issue of claim construction, that USG contended that the thickness limitation should be
27 measured to include protective coating that penetrated the surface of the front paper layer.
28 Award also has known since that time that USG contended that the purpose of the protective

1 coating was to prevent surface abrasion. In light of these facts, Award's claims of surprise and
2 its contentions regarding USG's purportedly belated disclosure of a "reasonable mistake"
3 defense ring hollow.

4 The opinions set forth in the Shores declaration bear directly on issues for which Award
5 bears the burden of proof in its affirmative claim for relief against USG. Award has not
6 provided the Court with a substantial justification for failing to disclose these opinions in
7 Shores' initial expert report. Accordingly, the Court finds USG's objections well taken and
8 shall not consider the Shores declaration in deciding this motion.

9 Award also seeks to introduce testimony from Charles Klass that it contends it was
10 unable to submit with its opposition because of deposition scheduling. USG opposes this
11 request and asserts that Award created the delay by not agreeing to conduct the deposition
12 earlier. Because USG's only basis for objection to this testimony is the scheduling issue, and
13 because USG has submitted additional testimony from Mr. Klass directed to the testimony
14 offered by Award and has presented argument on the points raised by Award in submitting the
15 testimony, the Court GRANTS Award's request to submit the late testimony and shall consider
16 both parties' submissions.

17 **D. USG Is Entitled to Summary Judgment on Award's False Marking Claim.**

18 It is undisputed that as of approximately 1993, the protective coating on USG's nose
19 coated paper-faced corner bead products measured less than 0.001 inches above the surface of
20 the paper. The parties dispute whether USG intended to deceive the public when, despite its
21 knowledge of this fact, it continued to mark the products in question with the '198 until March
22 1, 2006. Although Award's claims of false marking relate to USG, what BeadEx knew and did
23 is relevant to this dispute to the extent USG later relied on representations from BeadEx.

24 There are obvious disputes between the parties about who at BeadEx told what to whom
25 and when, with respect to whether or not the products should be marked. For example, Mr.
26 Dunham claims he told senior management at BeadEx that he believed the products did not fall
27 within the '198 Patent, although he was unsure if he ever communicated his views to Mr.
28 Ritchie or Mr. King, the named inventors on the '198 Patent. (Jenkins Decl, Ex. 4 (Dunham

1 Depo. V. 1 at 46:4-47:4, 48:16-25).) Mr. Radford denies Mr. Dunham made that claim.
2 (*Compare* Dunham Decl., ¶ 9 with Radford Decl., ¶ 4.) The Court does not find these disputes
3 to be material in light of the undisputed fact that, as properly construed by this Court, the nose
4 coated paper-faced bead products did not fall within the literal claims of the ‘198 Patent as of
5 approximately 1993. What is material to the resolution of *this* motion, is *why* and *on what basis*
6 USG formed its belief that the patents were marked properly with the ‘198 Patent
7 notwithstanding the fact that the protective coating above the surface was less than 0.001 inches.
8 That essentially calls for an inquiry into the reasonableness of USG’s belief of its proposed
9 claim construction.

10 To meet its burden on summary judgment, USG proffers testimony from Mr. Radford
11 who attests that, after BeadEx learned that the protective coating measured less than 0.001
12 inches above the surface of the paper, members of the BeadEx Defect Reduction Committee
13 discussed the issue. Mr. Radford states this committee reviewed the ‘198 Patent and read it to
14 call for a penetrating protective coating. According to Mr. Radford, because it appeared that the
15 thickness of the protective coating, including penetration depth, fell within the range identified
16 in the ‘198 Patent, the committee concluded that the products continued to read on the claims of
17 the ‘198 patent. (Radford Decl., ¶ 3; Jenkins Decl., Ex. 3 (Radford Depo. at 34:22-35:8).)

18 Mr. Radford also attests that “based on visual observation and the performance of the
19 product, we estimated a coating penetration depth of about 3-4 mils, about halfway through the
20 paper,” which in his understanding met the claims of the ‘198 Patent. (Radford Decl., ¶ 3.)
21 USG also presents evidence that the specifications BeadEx provided to outside vendors,
22 directed to the thickness of the coating, did not contain a specification relating to the thickness
23 of the coating over and above the top surface of the paper. (See Jenkins Decl., Ex. 4 (Dunham
24 Depo. V. 1 at 139:24-143:15).) But USG also introduces evidence from Mr. Dunham, a
25 member of this committee, in which he claims “all the members of the BeadEx team, including
26 Mr. Ritchie, understood our invention to require a layer of protective material that exceeded the
27 paper’s thickness by about 0.001 to 0.005” inches. (Jenkins Decl., Ex. 16 at ¶ 10.) There is no
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1 evidence in the record that Mr. Ritchie's opinion on this issue was communicated to anyone at
2 USG.

3 Mr. Perrine, USG's current director of Marking and Finishing Systems, testified that
4 when USG and BeadeX entered into the private label distribution relationship, he was advised
5 by Mr. Ritchie and other members of BeadeX management that the products were "patented
6 under" the '198 Patent. (Perrine Decl., ¶¶ 1-2; Jenkins Decl., Ex. 5 (Perrine Depo. at 46:18-
7 47:7).) Mr. Perrine also attests that during this relationship, BeadeX continued to mark the
8 products with the '198 Patent, that USG relied on BeadeX for the factual details to be included
9 on the USG private labels, and that no one at BeadeX suggested that there was any reason the
10 '198 Patent should not be on the labels. (See, e.g., Perrine Decl., ¶¶ 3-4; Jenkins Decl., Ex. 5
11 (Perrine Depo. at 52:9-53:25).)

12 Mr. Perrine's testimony as to what he was told by BeadeX is supported by Mr. Ritchie's
13 testimony that he "was under the assumption at the time [that USG and BeadeX were
14 contemplating a business relationship] that [the products were] within this portion of the
15 patent," and that he was confident that he communicated to Mr. Perrine that the product was
16 patented. (Jenkins Decl., Ex. 2 (Ritchie Depo. at 29:19-30:14).) Mr. Ritchie also testified that
17 he never told anyone at USG that the products did not practice the patent because he did not
18 know "it had fallen outside the patent until very recently when Award explained to him how the
19 thickness of the coating fell outside of the – of this patent." (*Id.* at 33:15-21.) USG also
20 provides testimony from Mr. Dunham that because Mr. Ritchie knew more about the '198
21 Patent than he did, Mr. Dunham would rely on Mr. Ritchie's opinion as to what was covered by
22 the patent. (Jenkins Decl., Ex. 6 (Dunham Depo. V. 4 at 103:7-25).)

23 USG also asserts that when it acquired BeadeX, it conducted an independent evaluation
24 of whether the nose coated paper-faced corner bead products were covered by the '198 Patent.
25 According to the record, the independent evaluation consisted of Mr. Perrine's reliance on what
26 he was told by Mr. Ritchie and others at BeadeX, namely that the products were covered by the
27 '198 Patent. (See, e.g., Perrine Decl., ¶ 5; Jenkins Decl., Ex. 5 (Perrine Depo. at 310:14-17).)
28 The evaluation did not consist of any formal analysis of the thickness of the protective coating

1 material. (Jenkins Decl., Ex. 5 (Perrine Depo. at 312:1-313:3, 316:5-15, 317:2-9).) Rather, in
2 addition to what he had been told by Mr. Ritchie and others at BeadEx, Mr. Perrine relied on his
3 27 years of experience in the building industry and his experience with coating on drywall
4 paper. (Perrine Decl., ¶ 6; Jenkins Decl., Ex. 5 (Perrine Depo. at 315:5-316:4).) Based on that
5 experience, and knowing that the patent called for penetrating coating and some “visual
6 observation”, Mr. Perrine “believed that the total coating thickness on the BeadEx products was
7 at least 1-3 mils.” (Perrine Decl., ¶ 6; *see also* Jenkins Decl., Ex. 5 (Perrine Depo. at 316:15-
8 317:1, 317:10-318:22).) USG also relies on the fact that it acquired BeadEx for approximately
9 \$75 million to negate an intent to deceive the public, asserting it would have been unreasonable
10 to pay that much for a company if the products in question did not have patent protection.
11 (Perrine Decl., ¶ 7.)

12 Finally, in approximately August 2004, before this case was filed and well before the
13 Court construed the claims of the ‘198 Patent, USG proffers evidence that it reviewed scanning
14 electron photomicrographs (“SEMs”) of cross-sections of its nose coated paper-faced corner
15 bead products. (Perrine Decl., ¶ 12 and Ex. 1.) According to Mr. Perrine he was advised by the
16 person who conducted the analysis that those SEMs show that the protective coating had a total
17 thickness, including penetration depth, of approximately 0.002 inches, which is also supported
18 by evidence put forth by Award. (*Id.*; *see also* Jenkins Decl., Ex. 5 (Perrine Depo. at 114:1-
19 115:21; 118:25-119:8; 334:2-15); Declaration of Nicole S. Cunningham (“Cunningham Decl.”),
20 Ex. D (Perrine Depo. at 121:14-123:19.) Because, as USG interpreted the ‘198 Patent, this
21 thickness fell within the scope of the claims, USG continued to mark its paper-faced corner bead
22 products with the ‘198 Patent. (Perrine Decl., ¶ 12.)

23 In an effort to rebut USG’s contentions that it reasonably believed the products to be
24 covered by the ‘198 Patent, Award suggests that Mr. Perrine is not a person of ordinary skill in
25 the relevant art, so that his beliefs cannot establish a reasonable belief that the products were
26 covered by the Patent. (Cunningham Decl., Ex. C (Klass Depo. at 32:23-34:15), Ex. D (Perrine
27 Depo. at 130:18-137:3).) Award also proffers the testimony of Mr. Klass, who testified he
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1 would not rely solely on a visual observation to determine the thickness of the coating. (5/12/06
2 Klass Depo. at 105:2-22.)⁵

3 Award also proffers the declarations of Mr. Dunham and Mr. Walker, who were
4 members of Defect Reduction Committee and who deny that the committee discussed whether
5 the products still were covered by the '198 Patent. They also deny the conclusions Mr. Radford
6 claims the committee reached. (*See* Dunham Decl., ¶¶ 16-19; Declaration of Rick Walker
7 ("Walker Decl."), ¶ 6.) Mr. Dunham attests that he was under the impression that Mr. Radford
8 agreed with his opinion that the products were not covered, but that he awaited further direction
9 from Mr. Radford. (Dunham Decl., ¶ 9.) Mr. Dunham also testified that he "just voiced [his]
10 opinion to [senior management] and expected they would know what to do with it," but
11 conceded that Mr. Ritchie as president of the company would be responsible for decisions made
12 and that he, Mr. Dunham, would rely on Mr. Ritchie's opinion as to whether the products should
13 be marked with the '198 Patent. (Jenkins Decl., Ex. 6 (Dunham Depo. V. 4 at 102:1-103:25).)

14 Mr. Dunham also declares that after he expressed his opinions, he was advised by Mr.
15 Radford that Beadex did not want to spend the money associated with obtaining a new patent
16 and would take the position that the thinner coatings were covered. Mr. Dunham claims that he
17 advised Mr. Radford this was an untenable position. (*See* Dunham Decl., ¶¶ 10-14).⁶

18 Award also tries to show USG's belief was unreasonable by proffering evidence to show
19 that Mr. Ritchie believed "we needed a minimum of 0.001 of an inch to provide necessary water
20 and sanding resistance." (Cunningham Decl., Ex. A ("Ritchie Depo. at 84:4-13); *see also id.*
21 (Ritchie Depo. at 39:18-40:9, 43:3-16, 45:3-14, 83:9-18, 84:4-13 (discussing his belief that a
22 minimum layer of coating above the surface was required).) Mr. Ritchie also testified, however,
23 the fact that Award had determined Beadex was outside the patent came as a surprise to him.
24 (*Id.* at 55:15-19).)

25 ⁵ Attached to the Declaration of Colbern Stuart in Support of Award's Motion
26 for Administrative Relief for Leave to Submit Recent Deposition Testimony..

27 ⁶ The Court notes that this is the only evidence that Award proffers that
28 suggests USG had an improper motive in continuing to mark its products with the '198
Patent. The rest of the evidence presented speaks to the reasonableness of USG's
construction of the claims of the '198 Patent.

1 Award also puts forth evidence that, with respect to another aspect of the ‘198 Patent,
2 Mr. Perrine acted “conservatively” and removed that patent number from some products that he
3 believed could be read to not fall within the scope of that aspect of the ‘198 Patent.
4 (Cunningham Decl., Ex. D (Perrine Depo. at 325:12-326:16.) Award argues that this
5 conservative view belies the reasonableness of USG’s view with respect to the thickness
6 limitation. Finally, with respect to USG’s argument that it would not have acquired BeadEx for
7 \$75 million if its products had not been patented, Award proffers Mr. Ritchie’s testimony that,
8 at the time USG acquired BeadEx, he believed the value of the ‘198 Patent had diminished.
9 (Cunningham Decl., Ex. A (Ritchie Depo. at 34:10-14).)

10 Award also argues that after the Court construed the ‘198 Patent in November 2005,
11 USG’s decision to continue to mark the products with the ‘198 Patent was improper. Award
12 contends that USG’s argument that the products functioned in substantially the same way,
13 notwithstanding what it contends is an insubstantial difference with respect to the thickness
14 limitation, they would fall within the claims of the ‘198 Patent. Although the thickness
15 limitation is the focus of the instant motion, the Court also construed protective coating to
16 mean: “The material applied to the front paper layer to reinforce said front paper layer and to
17 provide surface protection against abrasion.” (Claim Construction Order at 7:17-18.) Award
18 does not put forth any evidence to suggest that a function of the protective coating taught by the
19 ‘198 Patent is not to provide surface protection against abrasion.

20 Considering all of these facts and the reasonable inferences therefrom in the light most
21 favorable to Award, as it must, the Court concludes that these facts simply do not give rise to a
22 disputed issue of fact as to whether between 1993 and March 1, 2006, USG intended to deceive
23 the public when it marked its nose coated paper-faced corner bead products with the ‘198
24 Patent. Accordingly, the Court concludes that USG is entitled to judgment in its favor on the
25 false marking claim.

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CONCLUSION

For the foregoing reasons, USG's motion for summary judgment is GRANTED.

IT IS SO ORDERED.

Dated: June 12, 2006

Jeffrey S. White
JEFFREY S. WHITE
UNITED STATES DISTRICT JUDGE